

Sale of County Fee Land Policy

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I. Purpose

To establish a protocol and team consisting of County personnel to sell County fee land as a means of returning this land to the tax rolls and increasing revenue to the County.

II. Protocol

The sale of County owned real estate shall comply with the requirements of Minnesota Statutes § 373.01. The Property Manager shall maintain and update an inventory of all County owned real estate. If County fee owned real estate is considered for sale either at the County's own initiative or based upon an outside request, the following shall occur in the following order:

- A. Property Management shall send a map, legal description, and address of the property to all department heads who shall assess the County's present or future potential need for the land.
- B. After review and analysis, each department shall provide written recommendations or comments to the Property Manager within thirty (30) days of receiving the information. Property Management shall investigate potential covenants.
- C. With the assistance of the Property Manager and any other appropriate team member, the County Attorney or his designated representative shall determine the need, if any, for an in-house title opinion, an outside title opinion, or a title commitment to determine whether the County holds marketable title.
- D. If the County Attorney determines that the County does not hold marketable title, the team as identified in Section III, shall determine whether it is feasible and efficient to quiet title and proceed with a sale.
- E. After each department has provided written recommendations and/or comments, and it has been determined that the County has marketable title (or that marketable title can be reasonably obtained), the team shall meet or provide written recommendations to proceed with a sale or retain the property.
- F. Property Management shall convey the team's decision in writing to any outside requestor within ninety (90) days of receiving a "Land Sale Request" form (attached).
- G. No individual team member or department head shall negotiate terms directly with a potential purchaser of County fee land. Instead, all buyers interested in purchasing County fee land shall be directed to complete the "Land Sale Request" form, and deliver the same to the Property Manager.
- H. Once the team has determined that a parcel of County owned real estate should be offered for sale, the following steps shall be taken:

1. The County Assessor shall establish an initial market value for the parcel utilizing current County or City's of the First Class estimated market values and, after receiving input from the remaining team members, the team shall then determine whether additional appraisal services are needed including, but not limited to, Land Department appraisal services, Public Works appraisal services, and/or the appraisal services of a licensed private appraisal firm. Any final appraised market value shall take into consideration any gravel and/or timber value associated with the parcel to be sold.
2. Administration shall submit a Board Letter and proposed Resolution to the County Board, setting a time and date for receiving bids or proposals for the property.
3. If the County Board approves the proposed offer to sell, the Clerk of the Board shall advertise for bids or proposals in accordance with the requirements of Minnesota Statutes § 373.01.
4. The advertised notice of sale shall include the time and date deadline for submitting written bids or proposals, the office address to which written bids or proposals shall be submitted, or the time, date, and location for making verbal bids or proposals as the case may be, a legal description of the property, and the appraised value of the property. In addition, the advertised notice of sale shall state the following:
 - a. The property is being sold pursuant to and in accordance with Minnesota Statutes § 373.01.
 - b. The County will furnish a "quit claim" deed to the successful buyer(s) after payment of costs, fees, and the purchase price in full.
 - c. That an abstract of title will not be furnished by the County.
 - d. That all mineral rights shall be reserved by the County in accordance with Minnesota Statutes § 373.01.
 - e. That State deed tax and all recording fees shall be paid by the buyer(s).
 - f. The notice of sale shall state any other costs to be paid by the successful buyer(s), including, but not limited to, appraisal costs.
 - g. That the County Board may reject any or all proposals and bids.
5. The Clerk of the County Board shall send a copy of the advertised notice of sale to all parties who have submitted a "Land Sale Request" form. Property Management shall send a copy of the advertised notice of sale to all adjoining property owners. Property Management will install a "For Sale" sign on the property listing the County phone number for information and to serve as notice of the sale to neighboring residents.

I. Verbal Bid and Verbal Proposal Process

1. If the County Board determines that it will allow verbal bids or verbal proposals, these verbal bids or proposals shall be heard at a regularly scheduled County Board meeting as scheduled by the County Board. All interested parties must appear in person.
2. At its discretion, the County Board shall determine the specific method and time allotments for receiving verbal bids or verbal proposals at the scheduled County Board meeting.
3. When all verbal bids or verbal proposals have been received, the County Board shall vote to close the bidding process. The County Board shall then vote to determine whether any, all, or none of the bids or proposals will be rejected. If any bids or proposals remain, the County Board shall vote to accept the bid or proposal most favorable to the County as determined by the County Board.
4. If the County Board accepts a bid or proposal, it shall pass a resolution identifying the specific terms of the sale along with the specific legal description to be conveyed.
5. After the County Board passes a resolution authorizing the sale of County fee land, the County Attorney's office shall prepare a purchase agreement for signature by the successful buyer(s) and by the County Board Chair, Auditor, and County Attorney.
6. The Clerk of the County Board shall prepare the sale Resolution and submit a copy to the County Attorney's office for preparation of a quit claim deed.
7. Upon receipt of a fully executed purchase agreement and full payment of the purchase price and agreed upon costs and fees, the County Attorney's office, working with the Clerk of the County Board, shall prepare and deliver a fully executed quit claim deed to the buyer(s).
8. At the discretion of the team, closing shall be accomplished either by the County Attorney's office, or by a private attorney or title company.

J. Written Proposal and Written Bid Process

1. If the County Board determines that it shall receive either written bids or written proposals, these written bids or written proposals shall be due at the County Auditor's Office no later than one week before the scheduled time for consideration at the County Board meeting.
2. Property Management and County Administration shall draft a summary of all written proposals or bids for County Board members review prior to the scheduled Board meeting.

3. All written bids or written proposals shall be considered at a regularly scheduled County Board meeting as scheduled by the County Board.
4. The County Board shall then vote to determine whether any, all, or none of the bids or proposals will be rejected. If any bids or proposals remain, the County Board shall vote to accept the bid or proposal most favorable to the County as determined by the County Board.
5. If the County Board accepts a bid or proposal, it shall pass a resolution identifying the specific terms of the sale along with the specific legal description to be conveyed.
6. After the County Board passes a resolution authorizing the sale of County fee land, the County Attorney's office shall prepare a purchase agreement for signature by the successful buyer(s) and by the County Board Chair, Auditor, and County Attorney.
7. The Clerk of the County Board shall prepare the sale Resolution and submit a copy to the County Attorney's office for preparation of a quit claim deed.
8. Upon receipt of a fully executed purchase agreement and full payment of the purchase price and agreed upon costs and fees, the County Attorney's office, working with the Clerk of the County Board, shall prepare and deliver a fully executed quit claim deed to the buyer(s).
9. At the discretion of the team, closing shall be accomplished either by the County Attorney's office, or by a private attorney or title company.

K. Conveyances to other Governmental Entities and Public Corporations

1. Minnesota Statutes § 465.035 shall govern conveyances to other governmental entities and public corporations.
2. If County fee owned real estate is considered for sale based upon an outside written request from a governmental entity or public corporation, the following shall occur in the following order:
 - a. Property Management shall send a map, legal description, and address of the property to all department heads who shall assess the County's present or future potential need for the land.
 - b. After review and analysis, each department shall provide written recommendations or comments to the Property Manager within thirty (30) days of receiving the information. Property Management shall investigate potential covenants.

- c. With the assistance of the Property Manager and any other appropriate team member, the County Attorney or his designated representative shall determine the need, if any, for an in-house title opinion, an outside title opinion, or a title commitment to determine whether the County holds marketable title.
- d. If the County Attorney determines that the County does not hold marketable title, the team as identified in Section III, shall determine whether it is feasible and efficient to quiet title and proceed with a sale.
- e. After each department has provided written recommendations and/or comments, and it has been determined that the County has marketable title (or that marketable title can be reasonably obtained), the team shall meet or provide written recommendations to proceed with a sale or retain the property.
- f. Once the team has determined that a parcel of County owned real estate should be conveyed to the requesting governmental entity or public corporation, the following steps shall be taken:
 - (1) The County Assessor shall establish an initial market value for the parcel utilizing current County or City's of the First Class estimated market values and, after receiving input from the remaining team members, the team shall then determine whether additional appraisal services are needed including, but not limited to, Land Department appraisal services, Public Works appraisal services, and/or the appraisal services of a licensed private appraisal firm. Any final appraised market value shall take into consideration any gravel and/or timber value associated with the parcel to be sold.
 - (2) Administration shall submit a Board Letter and proposed Resolution to the County Board, to include the legal description and the terms of the proposed conveyance. The Board Letter and proposed Resolution shall also recommend and propose the following:
 - i. That the property is being sold pursuant to and in accordance with Minnesota Statutes § 465.035.
 - ii. That the County will furnish a "quit claim" deed to the purchaser after payment of costs, fees, and the purchase price, if any, in full.
 - iii. That an abstract of title will not be furnished by the County.
 - iv. That State deed tax and all recording fees shall be paid by the purchaser, along with any other costs including, but not limited to, appraisal costs.
 - v. That, in addition to payment of all other costs, the purchaser shall pay a five hundred dollar (\$500.00) administrative fee for any "free" or nominal sum conveyance.

L. Method of Payment Options

The County Board may consider and agree to any payment arrangement, method of payment, or terms of payment options it determines is in the best interest of the County.

M. Sale of County Fee Real Estate through the Services of a Real Estate Broker

1. If real estate remains unsold after advertising for and consideration of bids or proposals, the team shall meet or provide written recommendations to retain the property or seek approval from the County Board to pursue the sale of the property using the services of a real estate broker in accordance with the requirements of Minnesota Statutes § 373.01.
2. If the team decides to pursue the sale using a broker, County Administration shall submit a Board Letter and proposed Resolution to the County Board requesting authorization to proceed with the sale using a broker.
3. The Board Letter and proposed Resolution shall seek authorization to hire a broker and to sell the property for not less than 90% of its appraised market value as determined by the team. The proposed resolution shall include the legal description of the property to be sold.
4. If the County Board approves pursuit of the sale through a broker, the Property Manager shall send out no less than three (3) written solicitations to brokers in the general vicinity of the land to be sold as determined by the Property Manager.
5. The written solicitations to brokers shall include a copy of the Resolution and explain that the property may not be sold for less than 90% of its appraised market value as determined by the team.
6. The broker's fee may not exceed 10% of the sale price and must be paid from the proceeds of the sale.
7. If a broker's services are obtained, the Property Manager shall instruct the broker that any advertisement for the property must include the following information:
 - a. That the property is being sold pursuant to and in accordance with Minnesota Statutes § 373.01.
 - b. That the County will furnish a "quit claim" deed to the successful buyer(s) after payment of costs, fees, and the purchase price in full.
 - c. That an abstract of title will not be furnished by the County.
 - d. That all mineral rights shall be reserved by the County in accordance with Minnesota Statutes § 373.01.
 - e. That State deed tax and all recording fees shall be paid by the buyer(s).
 - f. The advertisement shall state any other costs to be paid by the successful buyer(s), including, but not limited to, appraisal costs.

8. If a written offer is made on the property that meets the statutory criteria of Minnesota Statutes § 373.01, the broker, Property Manager, and County Attorney's office shall review and negotiate a final version of a purchase agreement and have it executed by the buyer(s), County Board Chair, Auditor, and County Attorney.
9. Upon receipt of a fully executed purchase agreement and full payment of the purchase price and agreed upon costs and fees, the County Attorney's office, working with the Clerk of the County Board, shall prepare and deliver a fully executed quit claim deed to the buyer(s).
10. At the discretion of the team, closing shall be accomplished either by the County Attorney's office, the broker's office, or by a private attorney or title company.

III. Team Members and Summary of Responsibilities

A. Administrator

1. Provides overall coordination of all County property sales.
2. Prioritizes potential land needs for future County use.
3. Serves as a liaison with County Board and other team members.

B. Assessor

1. Shall provide an initial market value of parcels to be sold.
2. Shall make recommendations regarding the necessity of additional or outside appraisal services and will review and assess said additional or outside appraisals.

C. County Auditor

1. Provide oversight of all County Assets.
2. Publish notices, accepts bids and written proposals, approves payment guarantees, and accepts payments.

D. County Attorney

1. Provides advice and insight into legal considerations.
2. Prepares legal documents as necessary.
3. Provides negotiation assistance.

E. Property Manager

1. Maintains overall County fee real estate inventory.
2. Provides expertise in evaluating fee property.
3. Coordinates and compiles all relevant data and information on County fee real estate to be sold.
4. Serves as coordinator and Chair of the team.

F. Public Works Director

1. Evaluates the impact of the sale of County fee land on the County's highway construction and maintenance needs.
2. Provides expertise with real estate and right of way issues.

G. Ex Officio Team Members

1. Purchasing.

Available to assist in the sale process as necessary.

2. Employee Safety and Development.

Consulted to address IAQ, safety, OSHA, Environmental and other Risk Management related issues arising out of the sale of County fee real estate.

3. Department Heads.

Assess department's current and future needs and advise Property Manager on the appropriateness of the sale of County fee land.

4. Private Sector Consultants. (approved by team)

- a. Appraisal services.
- b. Environmental services.
- c. Other unique services as necessary.

IV. Checklist

- ___ 1. Property Management shall send a map, legal description, and address of the property to all department heads. Department heads have thirty (30) days to review and submit recommendations and/or comments for disposing of or retaining the property. Property Management shall investigate potential covenants.
- ___ 2. Property Management notifies requestor of team decision within 90 days of receiving the request.
- ___ 3. Property Management schedules team meetings as necessary to address relevant issues such as property value, methods of sale, and the need for outside closing services.
- ___ 4. Market value appraisal of property conducted with assistance of County Assessor.
- ___ 5. County Administration, with support from Property Management shall submit Board letter and resolution setting time/date for receiving bids for the property.
- ___ 6. Clerk of County Board shall publish notice of sale IAW Minnesota Statutes § 373.01.
- ___ 7. Clerk of County Board mails notice of sale to person requesting sale of fee property.
- ___ 8. Property Management sends notice to adjoining property owners of the intended sale.
- ___ 9. Property Management will install a “For Sale” sign on the property.
- ___ 10. Property Management and County Administration shall draft a summary of proposals for County Board members review prior to the scheduled Board Meeting.
- ___ 11. Bids or proposals received by Board. Successful bid/proposal approved by resolution.
- ___ 12. Copies of resolution sent to County Attorney and Property Manager.
- ___ 13. The County Attorney’s office prepares and delivers a purchase agreement to purchaser.
- ___ 14. Successful bidder returns signed purchase agreement, pays costs and purchase price and meets any other financial requirement of the sale.
- ___ 15. Quit Claim deed drafted by County Attorney and forwarded to Clerk of County Board.
- ___ 16. Clerk of Board bills purchaser for deed tax and recording fees (CRV, if required).
- ___ 17. When items in #16 received, Clerk of Board will record quit claim deed.
- ___ 18. Clerk of Board sends recorded, original deed to purchaser, and places a copy in Auditor and Property Management files.
- ___ 19. Property transferred to public entities for a nominal sum or “free conveyance” must pay an administrative fee of \$500.00.



Request to Purchase Real Estate Owned By St. Louis County

Saint Louis County
Property Management Department
100 N. 5th Ave. W.
Duluth, MN 55802
(218) 725-5085

REQUESTING PARTY'S INFORMATION			
FULL NAME :		PHONE NUMBER - DAY: NIGHT:	
STREET ADDRESS:	CITY:	STATE:	ZIP CODE:
PARCEL INFORMATION			
PARCEL IDENTIFICATION NUMBER:	SECTION:	TOWNSHIP:	RANGE:
ADDRESS / LOCATION:	LEGAL DESCRIPTION:		
GENERAL INFORMATION AND FREQUENTLY ASKED QUESTIONS			
<p>1. State of Minnesota Statute §373.01 allows counties to sell real estate provided:</p> <ul style="list-style-type: none">a. The sale is advertised three consecutive weeks in the official newspaper for the county, and once in a newspaper of general circulation in the area where the property is located. The notice shall state the time and place of considering proposals and contain the legal descriptionb. Unimproved real estate (raw land) may be sold at the County Board meeting in a public auction forum.c. Improved land will be sold by sealed bids only.d. All mineral rights will be reserved by the County.e. The County may set a minimum value, and the County Board may, in the interest of the County, reject all bids.f. All requests for the purchase of tax forfeit lands will be forwarded to the St. Louis County Land Department. <p>2. Please complete this form including all the information you have on the property and mail to the address listed at the top of the form. All applicable County departments will review the request and if it is deemed that the property has no present or anticipated need by the County, it will be available for sale following the state mandate listed above. Parties submitting requests will be notified of the county's intention for the property within 120 days of receiving the request.</p>			
SAINT LOUIS COUNTY USE ONLY			
<p>G REVIEWED BY ALL COUNTY DEPARTMENTS G BID VALUE G RESPONSE LETTER TO PARTY MAKING INQUIRY G LETTER TO ADJOINING PROPERTY OWNERS</p>			